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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

National Intelligence Council

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21 April 1983

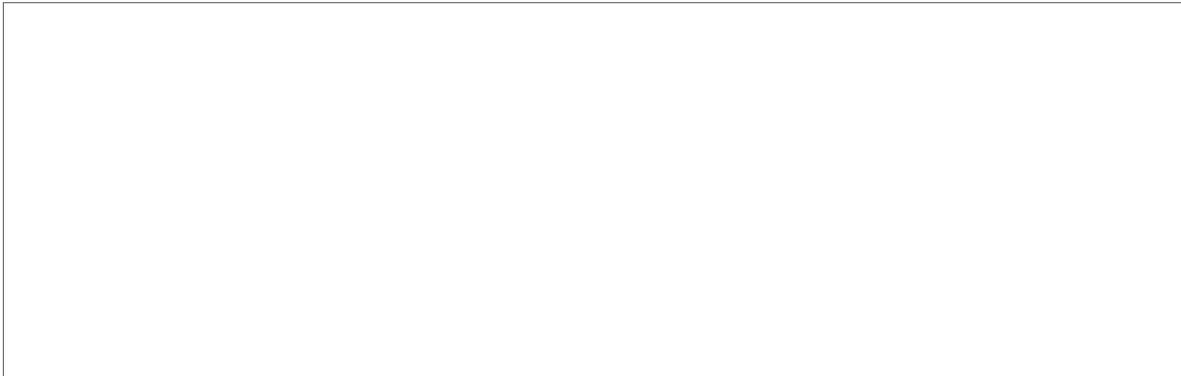
MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

VIA: National Intelligence Officer for Warning

FROM: Graham Fuller
National Intelligence Officer for NESAs

SUBJECT: Monthly Warning Meeting - April 1983

1. PLO-Jordan-Israel: Regional Implications of Husayn's Statement on the Reagan Plan



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-- PLO Reaction - There seems little chance the PLO will reverse itself and give in to Husayn. While the PLO-Jordan dialogue may continue it will be mostly form not substance. Nor is it likely that an alternative West Bank leadership will emerge. Arafat's room to maneuver has been further reduced. The de facto vote of no confidence by the PLO after Arafat's initial acceptance of Husayn's plan undercuts his standing but it is unlikely Arafat will lose the chairmanship of Fatah and the PLO. Arafat probably retains the support of the rank-and-file fedayeen.

-- For Jordan, Husayn's statement serves to place the onus back on the PLO and the US. To step up pressure on the PLO Husayn will stress the plight of the West Bankers. Despite East Banker

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hints that Jordan will cut some of its ties to the West Bank -- economic, political and cultural -- there are too many constraints on Jordan preventing it from doing so. The Palestinian population in Jordan (60%) would be alarmed by any major break in ties.

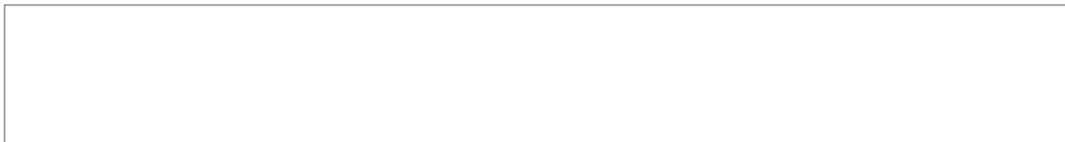
-- Terrorism - Fatah is not likely to resume international terrorism but extremists like Abu Nidal - responsible for the Sartawi murder -- will be active.

2. Lebanon: US Embassy Car Bombing

-- Analysts generally concur that pro-Khomeini Shias probably were the perpetrators of the attack. There is no explicit evidence proving Tehran's direct responsibility but much circumstantial evidence links Iranians or at least their Lebanese Shia allies with the attack. Tehran has been behind previous attacks on the MNF and has the strongest motive for the attack.

-- More attacks on the MNF, especially the Marines, seem likely. There is also some concern that the Beirut incident will have a ripple effect and encourage other incidents just as the attack on the Tehran Embassy in November 1979 helped incite other incidents. We have no reporting to suggest a broad Iranian-inspired offensive is underway against the US, but Tehran's ties to numerous extremists and its willingness to use terror are cause for concern.

-- Elsewhere in Lebanon, analysts remain concerned about the danger of a Syrian-Israeli clash. Both sides are deeply worried about the other's intentions. While neither seems to be planning to initiate hostilities, the risks of miscalculation are high.



3. Iran-Iraq War

-- The Iranian offensive in mid-April was another failure. Greater Iranian emphasis on the regular army command structure and resources did not bring positive results. The Iranian war machine continues to deteriorate. Iraqi forces fought more fiercely than usual. Casualties on both sides were high.

-- Yet another offensive apparently is already in the first stages of planning but another debate inside Iran is likely now over how to pursue the war. Given Khomeini's deeply held views, a

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breakthrough in the peace process remains unlikely. Even the apparently simple goal of a ceasefire for the Nowruz oil spill seems beyond reach.

- A prolonged border struggle remains the most likely future scenario. No new major offensive seems imminent.
- Recent reports of a more direct but still limited Soviet advisory role in Iraqi planning seem plausible to community analysts but remain unconfirmed. The long term impact of this Soviet role is uncertain. Other foreign powers, however, have also been advising Iraq, including the French and Egyptians.

4. Nowruz Oil Spill

- No agreement has been reached between Iran and Iraq to arrange for the procedures necessary to cap the damaged Nowruz oil platforms in the Persian Gulf. While there have been scattered sightings of oil patches off Saudi Arabia, Qatar, and Bahrain, no accurate damage assessment has been made thus far. There are engineering problems with the Landsat system [REDACTED]

Although favorable wind patterns are believed to have kept most of the spill and spreading slick offshore, the potential for serious damage will increase unless the wells are capped. In addition to environmental pollution, potential risks are posed to shipping in the Gulf (small merchant ships are particularly vulnerable), to water desalination plants in the Gulf states, and to the loading and departure of oil tankers from Gulf ports.

- While some analysts believe that the Iranians may be trying to use Iraq's reluctance to grant safe conduct to personnel who could attempt to cap the wells to drive a wedge between Baghdad and the Gulf states, Tehran may also recognize the danger posed to its own ports and shipping lanes should the slick reach the Iranian coast. In fact, a computer simulation of water currents and wind conditions makes it appear that the northern portion of the Iranian coast could be at greatest risk from the slick.

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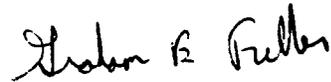
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5. Pakistan-Sectarian Rioting in Karachi and Zia's Standing

- Three rounds of Shia-Sunni unrest have occurred in Karachi since February. Relatively small incidents have often gotten out of hand. Pakistan has protested Iranian activity in stirring up at least some of the riots. Although the Iranian ambassador in Pakistan has called for sectarian harmony, the popular perception in Karachi is that Iran is fanning the flames of Shia unrest.
- On the positive side the unrest has not spread outside Karachi nor apparently helped Zia's opponents coalesce.
- There is some heightened risk of terrorist operations against US facilities in Karachi and Islamabad although anti-Americanism has not been a feature of the rioting. Iranians have been involved in anti-French terrorism in the past in Pakistan.

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